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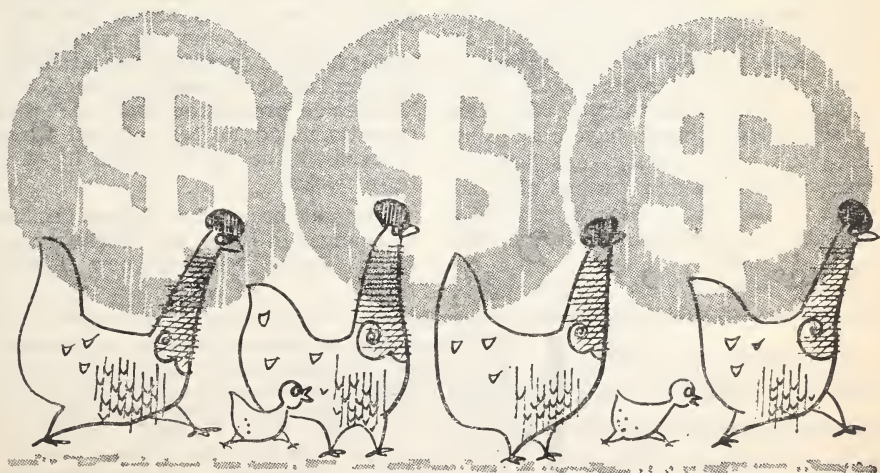
CURRENT SERIAL RECORDS

GROSS POULTRY INCOME HOLDS STEADY SINCE 1955

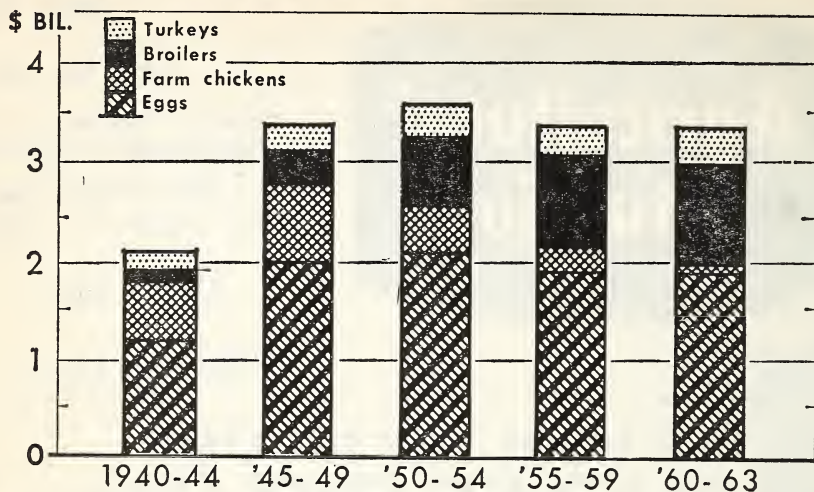
Gross farm income to poultrymen since World War II and particularly since 1955 has not changed much. Declining farm prices during these periods about offset the growth in production. Gross farm income includes the value of products consumed on farms where produced, as well as cash receipts from marketings.

Poultry now contributes a larger share of the total gross farm egg and

poultry income than formerly—45 percent in 1960-63 compared with 41 percent in 1945-49. Although poultry income increased only 10 percent between these two periods, there were sharp changes in income among the individual poultry items. Broiler income almost tripled, just about filling the gap left by declining farm chicken income, which shrank to less than one-fifth of its 1945-49 level. Income from turkeys increased 42 percent.



GROSS INCOME FROM POULTRY AND EGGS



DOES NOT INCLUDE OTHER POULTRY AND TURKEY HATCHING EGGS.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 2855-64 (4) ECONOMIC RESEARCH SERVICE

Poultry income has risen relatively little despite a 129-percent increase in liveweight chicken and turkey slaughter between 1947-49 and 1963. Producers have been offering increasing quantities of poultry at mostly declining prices. This situation stemmed from sharply falling production and marketing costs and from intense pressures for large production—both brought about by improvements in technology and by the trend toward fewer, larger, and more highly integrated poultry operations. On the other hand, consumers have been using more and more poultry—not just because of declining prices but also because poultry has become more readily available, more convenient to use, and higher in quality.

Egg income has declined only slightly from the post-World War II period even though eggs appear to have lost some favor among consumers. Farm egg production increased 14 percent between 1947-49 and 1963, and largely at the expense of “backyard” egg production. This shift from nonfarm to farm production helped to cushion the decline in gross farm income from eggs.

The fall in income also would have been greater if pressures for large production from the rapid introduction of large-scale production and marketing operations had not been at least partly relieved by the great decline in small farm flocks.

Demand for eggs has slipped because of changes in living and working patterns. Fewer people are now engaged

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in strenuous work, more wives are working, and an increasing number of adults are watching their weight. In addition, highly advertised breakfast cereals offer eggs increasing competition. All of these have led people to eat smaller breakfasts that include fewer eggs than formerly or no eggs. The morning coffee break for many has taken the place of breakfast. Also, eggs have always been a relatively convenient food to use, therefore unable to benefit as much as some other competing foods through new product development.

In 1963 U.S. egg producers received 34.4 cents per dozen compared with 33.6 cents in 1962 and 35.3 cents for 1957-59. Prices in 1963 were higher than in 1962 in all regions but the North Atlantic and South Atlantic. Price declines in these regions stemmed largely from increased egg production in the South Atlantic States. Increased competition from southern eggs and perhaps some reduction in marketing costs narrowed price premiums for cartoned eggs over base wholesale price quotations in New York between 1962 and 1963. Premiums for large eggs in cartons appear to have declined about 1 cent per dozen.

For the United States as a whole, the higher average egg price in 1963—together with a slight increase in egg sales—raised cash receipts from farm marketings to \$1,733 million, up \$48

million from 1962. Receipts from the sale of farm chickens, mostly old hens, totaled \$91 million in 1963, down \$2 million from the year before. Although farm chicken sales were off a little, most of the decline occurred because prices were lower.

The U.S. farm broiler price averaged 14.5 cents per pound in 1963 compared with 15.2 cents in 1962 and 17.8 cents in 1957-59. Broiler prices were lower in 1963 mainly because of competition from more plentiful supplies of red meat.

Because broiler production increased a little more than prices declined, total gross income in 1963 edged up to a new record of \$1,058 million—1 percent higher than in 1962 and 13 percent above 1957-59.

Producers received 22.3 cents per pound for live turkeys in 1963, up from 21.6 cents in 1962 but below the 1957-59 average of 23.7 cents. Although turkey production increased 3 percent in 1963, turkey supplies were actually down 1 percent because the carryover of frozen turkeys was much smaller than in 1962. With higher prices and greater production, gross income from turkeys in 1963 increased to \$373 million, \$21 million above 1962 but less than a million above the 1960 record.

Herman Bluestone
Economic Research Service

NEW FOOD USES FOR FATS AND OILS EVALUATED IN NEW USDA BULLETIN

Expanding the marketing of fats and oils by changing their makeup in ways that give them new food uses is discussed in a new report issued by USDA.

Improvements through research and development could increase use of these modified animal fats and vegetable oils by 82 million pounds above normal growth in several specialty markets by 1967. During the past 30 years, use of these products has increased at about the same rate as the population.

Most promising use of these fats and oils is for protective coatings of various foods like meat, poultry, ham, and

shellfish, the report says. Improvements are needed in abrasion resistance and transparency.

Confectionery coatings are the next most important possibility. Problems to overcome are improvement in melting, gloss, and mold release characteristics.

Single copies of *Market Potentials for Modified Edible Fats and Oils*, MRR 649, are available from the Division of Information, Office of Management Services, U.S. Department of Agriculture, Washington, D.C., 20250.

FARM MARKET VALUES CONTINUE TO ADVANCE

Farm real estate market values continued to advance to record levels in 1963. In the year ended November 1, 1963, the average market value increased 6 percent, and the national index of average value per acre was 28 percent higher than 5 to 7 years earlier.

The estimated value of all farmland was \$148.7 billion on November 1 of last year, a gain of \$7.1 billion in a year. During the same period the average value per farm increased 8 percent to \$46,000, and the average value per acre increased to \$135. As the number of farms declined again during 1963, the average value per farm increased more rapidly than value per acre.

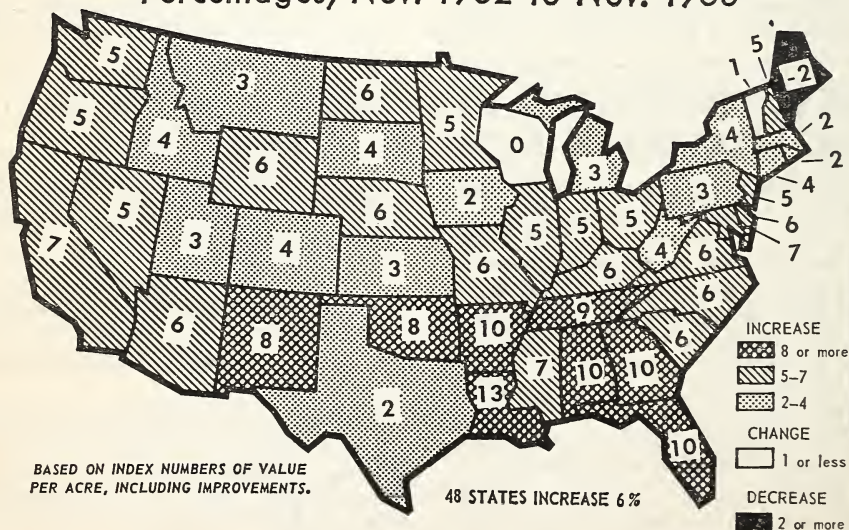
Increases in average market values equal to or greater than the national average of 6 percent were reported for 21 States. In five States—Arkansas, Louisiana, Alabama, Georgia, and Florida—values rose 10 percent or more; the increase was 9 percent in

Tennessee and 8 percent in New Mexico and Oklahoma. Increases of 5 to 7 percent were common throughout other parts of the country.

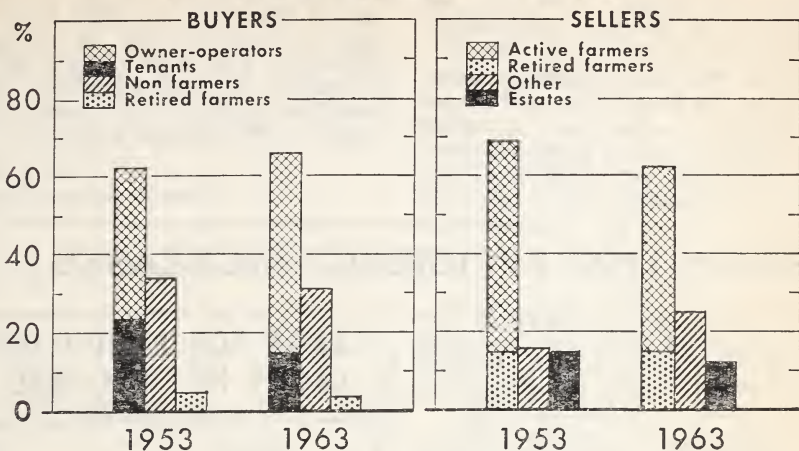
Values dipped only in Maine—2 percent. Maine potato growers have had several low profit years recently and farm real estate values have been correspondingly weak.

The national index of average value per acre of farm real estate bottomed out in 1933 at 26 (1957–59=100). Farm real estate values have continued to trend upward in the 30 years since then, but the upward movement has not been completely smooth. In some years values advanced as much as 17 percent, as in 1943–44, as the result of World War II, and 13 percent in 1951–52 in response to the Korean outbreak. Conversely, values dipped at times in these three decades; the largest was only 4 percent in 1948–49. In each instance recovery was quick and the upward trend in land values continued.

CHANGE IN DOLLAR VALUE OF FARMLAND Percentages, Nov. 1962 to Nov. 1963



WHO BUYS AND SELLS FARM REAL ESTATE



PERCENT OF SALES, YEARS ENDING MARCH 1.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 2637-54 (1) ECONOMIC RESEARCH SERVICE

Average land values were at or near new highs in all States as of November 1, 1963—except South Dakota. At the peak of the World War I land price boom in 1920, the index of average value per acre in South Dakota reached 136. Then market prices broke. Values tumbled until early 1941 when they were only a fourth of their 1920 peak. An almost steady rise since 1941 has restored farmland values to within 7 percent of the 1920 high water mark.

What does the future hold? Last fall, a higher percentage of observers of the farm real estate situation believed that land values would continue to move higher. Nationally, 22 percent of the respondents to the October 1, 1963, survey said that market prices for nonirrigated land were likely to increase further during the winter and spring of 1963-64. At the same time, 74 percent expected little change and only 4 percent expected a decline during the October 1963-March 1964 period.

Uncertainties about the wheat situation likely influenced the thinking of some respondents in the spring and winter wheat areas. They shifted opinions slightly last October compared

with a year earlier, indicating they expected a possible slowdown in the further advance of land values in these areas.

Respondents in the tobacco-growing areas and in the northern and southern range livestock areas also were somewhat less optimistic about further rises in nonirrigated cropland values than they were a year earlier. On the other hand, market values for irrigated land were expected to hold firm and perhaps advance in most areas where irrigation is relatively widely practiced.

Probably reflecting lower cattle prices, reporters were less certain that prices of grazing land would advance than they were a year earlier in four of the six areas where livestock grazing is a major farm enterprise. However, for the 48 States, 21 percent believed that prices would advance, compared with 19 percent in October 1962. Only 4 percent thought prices might decline—the same proportion as a year earlier.

From 1958 to 1963, the composition of the types of farm real estate sold each year has changed gradually. In the year ended March 1, 1958—66 per-

Farm Values—Continued

cent of the tracts were single farms before the sale, 28 percent were parts of farms, and 6 percent were identified as part-time farms. During the like period ending March 1, 1963, respective percentages were 62, 31, and 7.

Among the more significant movements in the farm real estate market in recent years has been a marked change in methods of financing farmland purchases. An estimated 67 percent of all transfers were credit fi-

nanced each year between March 1, 1955, to March 1, 1961. The balance, 33 percent, were cash transactions. During the year ended March 1, 1962, 71 percent involved the use of credit. In the following year ended March 1, 1963, 73 percent were so financed. Thus, after 6 years without change, the proportion of credit-financed land transfers moved 6 percentage points higher in the following 2 years.

John F. Gale

Economic Research Service

PRODUCTION EFFICIENCY INCREASES

The amount of labor needed to produce the major crops has decreased markedly in the last decade. Coupled with increasing yields, this shows crop production efficiency has moved up.

In 1953 farmers used 5.2 billion man-hours to produce field crops. A decade later 40 percent fewer man-hours were needed—3 billion man-hours.

The average number of man-hours used per acre dropped for all major field crops except tobacco, which still needs much hand labor.

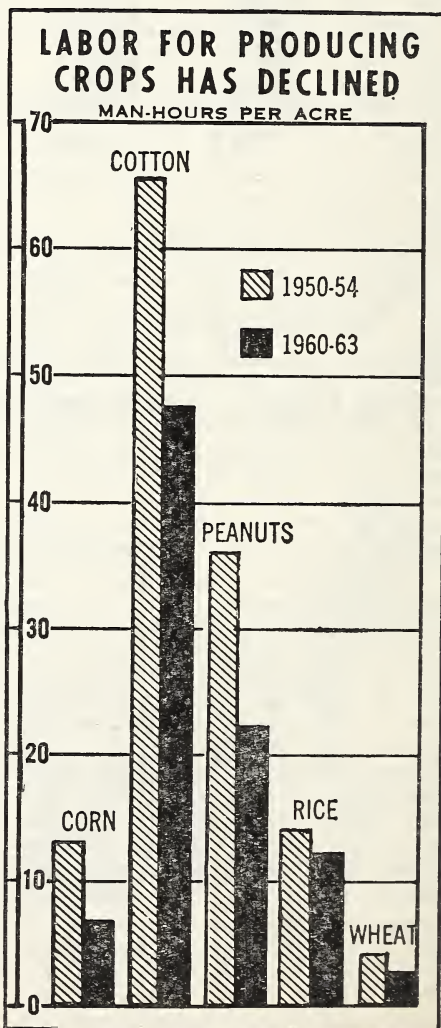
The greatest part of the saving in labor is a reflection of increased use of machinery in the last decade. Despite the reduction in the number of farms, the number of tractors, corn-pickers, pickup balers, field forage harvesters, elevators, and trucks increased.

Other important factors in the reduction in labor requirements were improvements in and greater use of fertilizers, pesticides, and disease-resistant crop varieties that contributed to higher yields per acre. The combined impact of declining man-hours and increasing yields boosted production efficiency significantly between 1953 and 1963.

In the case of corn produced for grain, average yields increased 57 percent—from 39 to 62 bushels per acre. During the same period, labor requirements dropped 47 percent from 13.3 to 7 man-hours per acre. The result was a gain of about 200 percent in labor productivity.

Robert C. McElroy

Economic Research Service



HIGHER EGG PRODUCTION LIKELY THROUGH SUMMER OF 1965

Egg production and prices the rest of 1964 are not likely to differ greatly from those in the like months of 1963. Output may be up a little and prices down slightly. However, in the first half of 1965 egg production could be significantly higher and prices significantly lower than a year earlier. This is suggested by a larger-than-expected hatch of egg-type chicks to date in 1964 in all regions, which indicates that growth in large commercial egg operations is accelerating.

January-May egg production totaled 77.0 million cases. Output rose 2 percent above January-May 1963 because of a sharp increase in eggs produced per layer; the number of layers were virtually unchanged. The June 1 production rate exceeded the year-earlier rate by 1 percent.

From late spring through early fall, about the same number of pullets as a year earlier will be added to the national flock. Egg-type chicks hatched in January-May totaled 318 million compared with 322 million in the same months of 1963, but the number of eggs in incubators for the production of egg-type chicks on June 1 was up 6 percent from a year earlier. Hence, layers on farms through the rest of 1964 are expected to number about the same as in year-earlier months.

But, because rate of lay probably will continue its upward trend this summer and fall, egg production likely will stay a little higher than in 1963 in the remaining months of this year.

The egg-type chick hatch in the second half of 1964 will largely determine layer numbers in the first half of 1965. It now appears that this hatch could be up sharply from July-December 1963. This would mean a significantly larger national laying flock in early 1965 than in early 1964.

In recent years the total number of egg-type chicks hatched in the United States has been declining. A sharp downtrend in the January-June hatch has only been partly offset by an uptrend in the July-December hatch. Significantly, the January-June de-

cline since the late 1950's has been confined to only three regions—the North Atlantic, the East North Central, and the West North Central—while the rise in the July-December hatch has occurred in all regions.

The exodus of small farm flock owners from the egg business has been responsible for much of the decline in the January-June hatch in the East North Central and West North Central regions. Most small farm flock owners traditionally buy replacement chicks in the spring; in contrast, large commercial enterprise operators buy a large proportion of their chicks in the second half of the year.

During January-May 1964 the egg-type chick hatch in the East North Central and West North Central regions combined was not greatly different from a year earlier, contrary to trend. This has occurred despite lower egg prices and higher feed costs than a year earlier during winter and spring.

Historically, less favorable price-cost relationships have led to cutbacks in the hatch of replacement chicks. That such a cutback in the January-June chick hatch is not occurring this year suggests (1) growth of large-type commercial operations is accelerating, and (2) small farm flocks now account for a much smaller proportion of the Nation's layers. The first factor is likely to be the more important.

Based on evidence to date, the egg industry may have reached an inevitable turning point—a period in which pressures for large production stemming from adoption of new production and marketing technology and organization will no longer be relieved by the rapid decline in the number of small farm flocks. This would lead to more prolonged periods of large production and low prices. As mentioned earlier, some difficulty along this line is likely to show up in 1965 if the July-December hatch this year is much larger than that of a year ago as now appears likely.

Herman Bluestone
Economic Research Service

outlook



Based on Conditions as of July 1, 1964

HIGH-PROTEIN FEED PRICES

The general weakness in demand for high-protein feeds, which has developed in recent months, may hold prices a little below a year earlier during the June-September period.

WHEAT EXPORTS

Exports of wheat during 1964-65 will be considerably below the record figure of last season, but will be in line with the high levels of recent years. The export picture depends to a large extent on foreign wheat prospects.

The average farm price for 1964-65 wheat will decline substantially from the \$1.85 per bushel of the previous season, despite the fairly strong demand for wheat that is indicated.

SOYBEAN PRICES

Through most of this summer, soybean prices are expected to average slightly under the \$2.45 received in the summer of 1963. Soybean prices usually decline in September when new-crop beans become available.

FEED CONSUMPTION DOWN

Based on the reduced level of livestock feeding in the first half of 1963-64, the total tonnage of all feed concentrates fed this year is expected to be a little below the high level of the past 2 years. The rate of feeding per animal unit is expected to be slightly below the 0.88 ton fed in 1962-63, and about 4 percent below the high rate of 0.91 in 1961-62.

FATS AND OILS

Production of food fats and oils may be slightly below year-earlier levels between April and September, and domestic use is expected to be up slightly.

CORN CARRYOVER

Based on midyear indications, the carryover of corn next October 1 is expected to total about 1,550 million bushels, 18 percent above a year earlier but nearly a fourth less than the record high of 1961.



GRAIN AND CONCENTRATES . . .

THE FIGURES FOR 1963

The Nation's milk cows were fed nearly 22 million tons of grain and other concentrates in 1963—97 percent of it fed on farms from which milk or cream was sold and the remainder on farms where milk was produced for home use only.

The East North Central States, with 6 million tons of grain and concentrates fed, accounted for 28 percent of the U.S. total. Nearly 5 million tons were fed in the West North Central Region, 4 million in the North Atlantic, 3 million in the South Central, and 2 million in both the South Atlantic and Western Regions.

Wisconsin led all States in the quantity of grain and concentrates fed to milk cows. Other top States were New York, Minnesota, Pennsylvania, and California. These five States accounted for 40 percent of the grain and concentrates fed to milk cows in the United States.

On a per-cow basis, statistics show the feeding rate of grain and concentrates increased 4 percent over the 1962 rate to 2,646 pounds per milk cow. Dairymen in the North Atlantic Region led the Nation with 3,003 pounds per cow.

Florida led the States with 5,220 pounds of grain and concentrates per cow, followed by New Jersey with 3,490; Connecticut with 3,290; Massachusetts and Ohio each with 3,170; and Rhode Island and Michigan each with 3,140 pounds.

The ratio of concentrates to milk advanced 2 percent in 1963—35.1 pounds of grain and concentrates per hundredweight of milk produced compared with 34.3 pounds in 1962. The highest rate was in the South Central Region where 46.0 pounds were fed per hundredweight of milk produced and the lowest was in the West, 26.9 pounds.

The average value of grain and concentrates fed to milk cows in 1963 was \$3.01 per hundredweight compared with \$2.92 in the previous year and the

1957-61 average of \$2.91. The value of grain and concentrates fed for each hundred pounds of milk produced averaged \$1.06 last year, compared with \$1.00 in 1962 and the 5-year average of 93 cents.

Corn ranked first as a feed ingredient in 1963 with 38 percent of the total concentrate ration fed to milk cows—a larger percentage than any other ingredient. Commercial mixed feeds and supplements made up 32 percent of the ration; oats, 16 percent; and barley, 3 percent. Sorghum, soybeans or soybean meal, and wheat bran and middlings each made up about 2 percent of the ration.

Home-grown feeds made up 45 percent of the concentrate rations fed to milk cows in 1963 compared with 47 percent in 1962. In the North Central Region, 69 percent of the grains and concentrates was home grown, compared with 23 percent in the North Atlantic, 28 percent in the South Atlantic, 26 percent in the South Central, and 9 percent in the Western Region. On a nationwide basis, 77 percent of the corn fed was home grown compared with 81 percent in 1962. The proportion of home-grown oats was also large, 84 percent in 1963 compared with 86 percent in the previous year.

The annual average milk-feed price ratio dropped 3 percent—from 1.40 in 1962 to 1.36 in 1963. This ratio represents the pounds of concentrate ration equal in value to 1 pound of whole milk sold by farmers.

By regions the annual averages were all below the levels of a year earlier. During 1963, the monthly average was below the same month a year earlier from January through October. However, the ratio in November was unchanged from the same month in 1962, and in December climbed to a level higher than in December of the previous year.

Gordon G. Butler
Statistical Reporting Service

LAST YEAR'S COTTON CROP

Largest, Most Valuable in Decade A Record Yield of 516 Pounds

The 1963 cotton crop was the largest and most valuable in a decade and also set a new record for average yield per acre.

The crop totaled 15.3 million bales, exceeding the crop of the previous year by 3 percent. The Nation's farmers produced this crop on 14.2 million acres, 9 percent less than in 1962. Acreage was down because the acreage allotment for upland cotton was reduced to 16 million acres.

The 1963 national average yield was a record 516 pounds of lint cotton per harvested acre, 59 pounds larger than the 1962 yield and 50 pounds larger than the previous record-high yield in 1958. Favorable growing conditions in most areas contributed to the record-high national yield. Record yields per acre were established in 7 of the 14 major cotton-producing States. Yields were above a year earlier in all major cotton States except California and Arizona.

As a result of the large production and a slightly higher average price, the value of the 1963 crop was the highest since 1953. The combined value of cotton and cottonseed amounted to \$2.8 billion, 4 percent more than in 1962. The average price received by farmers for the crop to April 1, 1964, was 32.1 cents per pound, up 0.2 cent from the 1962 average.

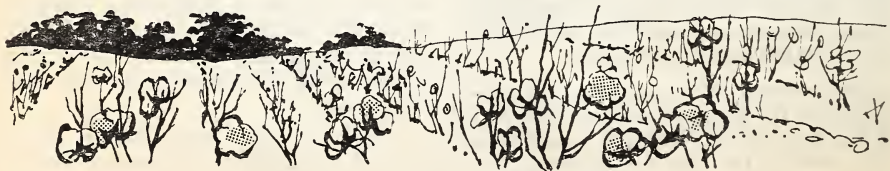
The upward trend in machine harvesting continued in 1963. A record 72 percent of the crop was machine harvested—2 percentage points above 1962, the previous record-high percentage. The 50-percent mark for mechanical harvesting was passed for the first time in 1960.

Of the major cotton-producing States, Arizona had the largest proportion of machine harvesting with 96 percent, followed by California with 94 percent, and New Mexico with 90 percent. Machine harvesting increased sharply in the Southeastern States from a year earlier. In Georgia, for the first time on record, more than one-half of the crop was mechanically harvested.

Farmers were charged an average of \$16.80 per bale (including charges for ginning, bagging, and ties) for processing their 1963 crop cotton, 28 cents less than for the previous crop. This was the first decline in total charges since 1955. The decline was caused by a drop in ginning charges. Charges for bagging and ties increased about 8 cents per bale. The value of cottonseed per bale averaged \$20.52, up 76 cents from 1962.

Farmers had sold only about 56 percent of the 1963 crop to April 1, 1964. A year earlier over 62 percent had been sold by that date; 2 years earlier 72 percent had been sold. Sales lagged this season because of the movement of large quantities of cotton into the loan. By late March, farmers had placed 6.8 million bales of the 1963 crop under loan, compared with 5.4 million under loan from the 1962 crop approximately a year earlier.

Net loan entries totaled about 8.1 million bales from the 1963 crop. April 30, 1964, was the last day the 1963 crop cotton could be placed under loan, but farmers have until July 31 to repay outstanding loans and repossess their cotton.



The very large 1963 crop is contributing to another sharp increase in the carryover during the 1963-64 crop year. The carryover on August 1, 1964, is expected to be well over a million bales more than the beginning carryover of slightly more than 11 million bales.

The carryover is rising this season despite increases in both domestic consumption and exports. During the 1962-63 crop year, the carryover increased over 3 million bales because both mill consumption and exports were down sharply from a year earlier while the 1962 crop was larger. Acreage allotments were reduced about 300,000 acres for the 1962 crop from the previous year, but production rose over 500,000 bales.

Domestic consumption prospects for the current season have improved in recent months. Enactment of cotton legislation on April 11 improved the competitive price position of American upland cotton in the domestic market by reducing the net cost of raw cotton to users. As a result, the rate of cotton consumption is likely to increase during the last quarter of the current season. Consumption of cotton may total nearly 8.8 million bales for the full season—400,000 more than in 1962-63.

U.S. exports of raw cotton are expected to total well over 5 million bales during the current season. This is sharply higher than the 3.4 million exported a year earlier and will be the highest since 1960-61. The export increase is related to factors which include: (1) an improvement in the competitive position of U.S. cotton in world markets, and (2) record-high consumption of cotton and reduced production in foreign free world countries.

In addition to the Cotton Equalization Program, which provides for Government payments to maintain and ex-

pand domestic consumption of upland cotton, the new cotton law provides for the establishment of a domestic allotment. This allotment of 10.8 million acres for 1964 is within the national minimum acreage allotment of 16.0 million acres. Farmers who participate in the voluntary domestic allotment program, by reducing their acreage about one-third, are eligible for additional price support.

Actually, farmers have three choices relative to acreage and prices they receive for the 1964 crop. These choices are:

- They may plant their *regular effective acreage allotment* and be eligible for the basic price support of 30 cents per pound for Middling 1-inch cotton. A producer's regular allotment is his allotment from the national acreage allotment of 16 million acres.

- Or, they may plant only their *domestic allotment* and be eligible for the basic price support of 30 cents and an additional payment of 3.5 cents per pound on the normal yield established for the farm. The domestic allotment nationally is based on the number of acres required to produce the amount of cotton needed for domestic consumption during the 1964-65 crop year. Farmers with allotments of 15 acres or less will not be required to reduce their acreage to be eligible for the additional price support.

- Or, they may plant their entire *regular acreage allotment* and an *additional 5 percent* of their allotment. Production from the regular allotment will be eligible for the 30-cent price support. Production from the additional acreage must be exported without benefit of Government export payment.

James R. Donald
Economic Research Service



JUNE-NOVEMBER PIG CROP TO BE DOWN 7 PERCENT

June 1 reports from U.S. farmers indicate intentions to breed 5,628,000 sows during the June-November period of 1964—down 7 percent from the corresponding period of 1963.

If these intentions materialize, and the number of pigs per litter equals the average plus an allowance for trend, the pig crop for the period will total 40.5 million head, 7 percent less than a year earlier. The combined pig crop for 1964 would be 87.0 million head, 7 percent less than the 1963 pig crop.

Decreases expected in June-November sow farrowings by regions are as follows: North Atlantic, 8 percent; East North Central, 8 percent; West North Central, 4 percent; South Atlantic, 6 percent; South Central, 14 percent; and West, 3 percent.

The total number of sows bred and intended for farrowing in 10 States during June, July, and August of this year is 2,274,000 head, down 6 percent from last year. Decreases from last year are indicated in 7 out of 10 States, ranging from 2 percent in Iowa to 11 percent in Illinois. Nebraska showed no change and South Dakota and Kansas both showed a 4-percent increase from last year.

Expected farrowing by months are: 778,000 head for June, up slightly from last year; 645,000 for July, down 9 percent; and 851,000 head for August, down 8 percent from the same month in 1963.

Reported breeding intentions indicate 2,072,000 sows to farrow during the September-November quarter of 1964 in the 10 States, 6 percent less than in the same period last year. All States except Kansas indicate decreases from a year earlier ranging from 14 percent in Wisconsin to 1 percent in Nebraska. Kansas indicated a 3-percent increase.

The December 1963-May 1964 pig crop for the United States is estimated

at 46,479,000 head, a decrease of 8 percent from the corresponding period a year earlier. Largest reductions in the December-May pig crop in comparison with a year earlier were in the North Atlantic and South Central regions with declines of 16 and 14 percent, respectively. Declines in other regions were 9 percent in the West, 8 percent in the South Atlantic, 7 percent in the West North Central, and 6 percent in the East North Central.

Sows farrowing during this period totaled 6,434,000 head, 9 percent less than during the same period a year earlier. December-May farrowings were 3 percentage points less than indicated by farmers' intentions reported on December 1, 1963.

December-May farrowings and intentions reported last December as a percentage of a year earlier by regions are as follows: North Atlantic, 85 percent now and 94 percent in December; East North Central, 93 and 94; West North Central, 92 and 95; South Atlantic, 91 and 93; South Central, 85 and 90; and Western, 90 and 91 percent.

The number of pigs per litter during the December-May period averaged 7.22 compared with 7.15 during the same period last year.

On June 1, there were 46,252,000 hogs and pigs of all ages on farms in 10 Corn Belt States, 5 percent less than a year earlier, and 5 percent less than on June 1, 1962. These 10 States normally produce about three-fourths of the pigs in the United States.

Inventory numbers on June 1 were less than a year earlier in all 10 States. Iowa, the leading hog-producing State, decreased 3 percent in the numbers on hand. Ohio also showed a 3-percent decline. Indiana and Missouri were each down 4 percent; Illinois, down 5 percent; South Dakota, 6 percent; Minnesota, 8 percent; Ne-



braska, 10 percent; Kansas, 11 percent; and Wisconsin was down 13 percent.

The number of hogs and pigs on farms in the 10 States on June 1, 1964, being kept for breeding totaled 6,942,000 head—8 percent less than a year earlier, reflecting the reduction in the number of sows farrowing.

Hogs and pigs other than those kept for breeding on farms on June 1 totaled 39,310,000 head, 5 percent less than a year earlier. Classified by weight

groups, the number of other hogs and pigs and the percentage change from the previous year are: less than 60 pounds, 21,431,000 head, down 8 percent; 60–119 pounds, 8,641,000 head, down 5 percent; 120–179 pounds, 5,247,000 head, up 3 percent; 180–219 pounds, 2,938,000 head, up 2 percent; and 220 pounds and over, 1,053,000 head, up 4 percent.

Emmett B. Hannawald
Statistical Reporting Service

Bulletin Evaluates Broiler Advertising

How broiler sales respond to changes in merchandising and advertising methods are evaluated in a new USDA report.

Analysis of data collected during 1962 revealed how much broiler sales changed when price was reduced, display area was increased, and newspaper advertising expanded.

In 12 stores surveyed during six 1-week periods, the average weekly sales increase per store was estimated to be 875 pounds per 5-cent drop in broiler price, 158 pounds per 2 additional square feet of display area, and 225 pounds per 25 square inches of newspaper advertising. In addition, 0.04 pound more broilers were sold per dollar increase in store sales.

Gross dollar sales for the meat de-

partment and for the entire store usually didn't change when broilers were advertised, although quantity sold rose significantly—largely because of the relatively low price of chicken.

Changes in price, newspaper advertising, display area, and total store volume accounted for 75 percent of the weekly variations in broiler sales for the supermarket organizations. The three sales practices exerted greater influence on sales when used simultaneously as a feature rather than when used independently.

Single copies of *Retail Sales of Broilers and Meat as Affected by Price, Display Area, and Newspaper Advertising*, ERS-180, are available from the Division of Information, Office of Management Services, U.S. Department of Agriculture, Washington, D.C., 20250.

Here's How to figure the tonnage of hay in your mow. With measurements of the stack of hay and the table below, the equation is:

$$\frac{\text{length} \times \text{width} \times \text{av. height}}{\text{cubic feet per ton}} = \text{tons}$$

For example, if timothy hay, two months old, fills a mow 30 by 40 feet to an average depth of 9 feet 9 inches, the solution is:

$$\frac{30 \times 40 \times 9.75}{640} = 18.3 \text{ tons}$$

Kind of hay	Cubic feet per ton	
	in stack 30-90 days	in stack more than 90 days
Alfalfa	485	470
Clover	450-485	435-470
Timothy	640	625
Wild	600	450

THE WHEAT SITUATION

PRICES LOWER THAN LAST YEAR

FARMER INCOME ALMOST STEADY

For the first time since the 1953 crop, wheat will be marketed without marketing quotas and marketing quota penalties. Any farmer is free to sell all his wheat to anyone at any time and, as in the past, at prevailing market prices.

Growers who participate in the program, however, will have the price guarantee of the loan program on all wheat produced on their allotted acreage.

Based on conditions as of June 1, the Crop Reporting Board estimates a total wheat crop of 1,213 million bushels, of which 981 million will be winter wheat and 232 million bushels will be spring wheat.

Along with the anticipated carryover of 890 million bushels on July 1 of this year, and allowance for the usual small imports, the Nation's total wheat supply will be about 2,108 million bushels in 1964-65.

Domestic disappearance in 1964-65 may be slightly above the level of recent years because of some increase in the use of wheat for feed. Total domestic use of wheat for food, feed, and seed is expected to be about 620 million bushels.

Exports will be well below the record level of 1963-64, but should be in line with the high level of recent years. Total exports for 1964-65 are expected to be about 700 million bushels, with commercial exports accounting for only 20 to 25 percent. Potential large crops in Canada and France will sharply increase competition for commercial markets. With total disappearance of 1,320 million bushels, stocks on July 1, 1965, may be further reduced from the figure of July 1 of this year.

Even with the fairly strong demand indicated at this time, the average farm price of wheat in 1964-65 will decline substantially from the \$1.85 per bushel in 1963-64. The relation of market prices to the \$1.30-per-bushel loan level

will depend to a large extent on the quantity of wheat eligible for price support and how farmers use the loan program.

In addition to price-support loans, cooperators will also receive certificates to bring their return for wheat used domestically up to a food price level and for wheat shipped abroad up to an export price level. The result will be to add \$450 to \$500 million to farmers' 1964-crop wheat returns from what returns would have been without the new program. Farm income from the 1964 wheat crop is expected to total \$2.2 billion—nearly as high as the \$2.3 billion for the 1963 crop.

For major producing areas, as in the past, county loan rates reflect terminal rates, less handling and freight charges needed to move the wheat to terminal. County and terminal rates are adjusted up or down for grade and quality to determine loan rates for individual producers.

An analysis of historical cash prices at key terminal markets and of prices received by farmers in areas serving these markets indicated a need for some adjustments in the differentials between terminals.

As a result of this analysis, terminal support prices are being reduced 2 cents per bushel for Kansas City and related markets, and 1 cent per bushel for all other markets except Galveston and related gulf port markets. These are increased 2 cents per bushel. All of these changes are in addition to the 52-cent decrease in the 1964 national average loan rate. The 1964 terminal rates range from \$1.47 to \$1.77 per bushel for Grade No. 1 wheat.

Producers may request sedimentation and protein tests for farm storage loans when loans are made. Final settlement will be on the basis of these tests if identical wheat is delivered. If the wheat is tested at this time, the producer pays a \$3 test fee.

In This Issue

If sedimentation and protein tests are not made by producers with loans of farm-stored wheat, the tests will be made upon delivery and final settlement will be made on the basis of such tests. In such cases, CCC will pay for the tests.

Durum wheat producers may have tests made on farm-stored wheat if they wish to receive premiums when the loans are made. Such determinations, however, will not be used for durum wheat settlement purposes. Producers will pay a \$3 fee for this service.

Here are some additions or changes in the schedule of premiums and discounts:

- For wheat grading No. 4, No. 5, or "Sample," test weight discounts range from 4 to 41 cents per bushel for hard red spring wheat with a test weight of 54.9 to 40 pounds, and from 4 to 44 cents per bushel for other classes with test weights of 55.9 to 40. Discounts for total damaged kernels range from 1 to 45 cents per bushel on damage of 7.1 to 30.1 percent and above.

- All classes of wheat grading Heavy in the Grades No. 1, 2, or 3 are eligible for a 1-cent-per-bushel premium.

- The discount for smut on a percentage basis is eliminated. Smut discount will be on a degree basis in all States.

- The premium for Hard Amber Durum is reduced from 25 to 10 cents, and for Amber Durum from 10 to 5 cents per bushel.

- Discount for wheat grading Light Garlicky is reduced from 6 cents to 5 cents per bushel, and for Garlicky from 15 to 10 cents per bushel.

- Discount for Grade No. 3 wheat is reduced from 3 cents per bushel to 2 cents.

- Premiums and discount for sedimentation value are revised and grouped in 3-point value intervals. In 1963, a 2-point value interval was used.

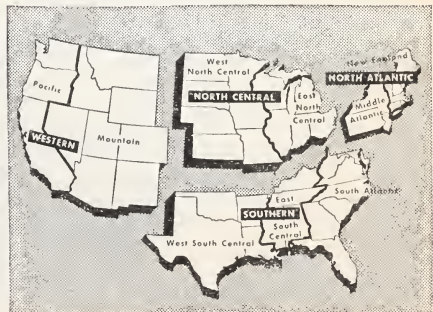
William R. Askew
Economic Research Service

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